

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking on the  
Commission's Proposed Policies and Programs  
Governing Post 2003 Low-Income Assistance  
Programs.

Rulemaking 04-01-006  
(Filed January 8, 2004)

**ASSIGNED COMMISSIONER'S RULING REQUIRING AN EARLY START TO  
PHASE 5 OF THE LOW INCOME ENERGY EFFICIENCY PROGRAM  
STANDARDIZATION PROJECT**

This ruling begins the measure assessment process, ordered in Commission Decision (D.) 03-11-020, by requiring the Low Income Energy Efficiency Standardization Project Team (Team) to develop and submit, via the joint utilities, a Phase 5 workplan, budget and timeline for the Commission's consideration by October 8, 2004.<sup>1</sup> In addition, this ruling requires the Team to review existing standards and manuals, and develop necessary proposed standards and manual changes in time for program year (PY) 2005.

**Background**

In Decision (D) 03-11-020, adopted on November 13, 2003, the Commission approved the PY 2004 Low Income Energy Efficiency (LIEE) measure mix, until further Commission order, based on recommendations from the Team.

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<sup>1</sup> The Team consists of the joint utilities and their technical consultants, ITRON/Regional Economics Research, Inc. and Richard Heath and Associates. The Commission's Energy Division assists in coordinating the effort. The joint utilities are: Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SCG). The Office of Ratepayer Advocates participates in the effort.

At that time, the Commission noted that it planned to revisit the cost-effectiveness of the adopted measure mix and potential new program measures over time, in order to ensure that the mix of measures installed under the program would remain as cost-effective as possible.

The Commission noted that:

At the same time, we believe that further work is needed to improve our capability to assess the benefits and costs of specific program measures and the LIEE program overall. As we discussed in D.02-08-034, program measurement issues should be revisited periodically.<sup>2</sup>

The Commission further stated that:

Adding new measures or re-evaluating current offerings should be considered in the context of the annual program planning cycle, and not intermittently, in order to avoid disruption or confusion in the field.<sup>3</sup>

In conclusion of law 4, the Commission noted:

As part of the PY2006 program planning cycle, the Standardization Team should update the cost-effectiveness evaluation of existing and new measures for the LIEE program, and present recommendations.<sup>4</sup>

Finally, the Commission noted:

As discussed in this decision, the PY2006 program planning cycle shall be the forum for considering the cost-effectiveness of existing and new LIEE measures, and proposed changes to the LIEE measures offered under the program. The Standardization Team shall conduct this cost-effectiveness evaluation and develop recommendations, with public input. The Team's report shall be filed with the utility applications for PY2006 program plans,

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<sup>2</sup> D.03-11-020, *mimeo.*, p. 16-17.

<sup>3</sup> *Ibid.*, Finding of Fact 13, pg. 74.

<sup>4</sup> *Ibid.*, Conclusion of Law 3, pg. 82.

currently due on July 1, 2005. By January 1, 2005, the Standardization Team shall file a proposed budget, schedule and scope for this effort. The Assigned Commissioner shall direct this project with respect to the scope of work, budget and schedule.<sup>5</sup>

## **Discussion**

Energy Division staff has informed me that there are a number of critical planning steps the Team must take to conduct such a new measure solicitation and assessment process during the first six months of 2005, in order for the results of that assessment to be available early as part of the PY2006 LIEE program planning cycle. Waiting until January 1, 2005 to begin this process and submitting the report with the utility applications on July 1, 2005 will likely delay the PY2006 planning process.

Therefore, I hereby direct the Team to develop and submit a Phase 5 workplan, budget and timeline for the Commission's consideration by October 8, 2004.<sup>6</sup> This workplan should include all tasks associated with conducting a new LIEE program measure solicitation and assessment process, to begin on or around January 1, 2005, with a final report being filed with the Commission by April 30, 2005. The final report should compare the cost-effectiveness of proposed new LIEE program measures with the cost-effectiveness of the current measures being installed under the program, and provide Team recommendations regarding changes to the current LIEE program measure mix, if any.

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<sup>5</sup> *Ibid.*, Ordering Paragraph 16, pg. 89.

<sup>6</sup> The Assigned Commissioner was ordered to direct this project with respect to scope of work, budget and schedule. *Ibid.*, Ordering Paragraph 16. In addition, the Assigned Commissioner, was given authority to modify the due dates set forth in D.03-12-011. *Ibid.*, Ordering Paragraph 18.

Staff has also noted that in order to ensure that the current LIEE program weatherization installation standards and the LIEE policies and procedure manuals remain up to date, the Team should review the 2004 manuals, and recommend any changes it believes should be adopted for PY2005. I hereby direct the team to review the 2004 manuals, and recommend any changes it believes should be adopted for PY2005. The Phase 5 workplan, budget and timeline should include this task as well. The timeline for this task should allow time for the team to review the existing standards and manuals, and file proposed standards and manual changes in time for PY2005.

**IT IS RULED** that:

1. The LIEE Standardization Project Team (Team) shall develop and submit, via the joint utilities, a Phase 5 workplan, budget and timeline for the Commission's consideration by October 8, 2004.
2. This workplan, budget and timeline shall include all tasks associated with conducting a new LIEE program measure solicitation and assessment process, to begin on or around January 1, 2005, with a final report being filed with the Commission by April 30, 2005. The workplan shall include time for and include public workshops soliciting ideas for new measures to be considered and obtaining public input on the measure assessment results before the Team submits them to the Commission.
3. The final Team report shall include a comparison of the cost-effectiveness of proposed new LIEE program measures compared to the cost-effectiveness of the current measures being installed under the program. The report shall also provide Team recommendations regarding changes to the current LIEE program measure mix, if any, and summaries of the public workshops.

4. The workplan, budget and timeline for Phase 5 shall also include the tasks of reviewing the existing standards and manuals, and filing proposed standards and manual changes in time for PY2005.

Dated October 01, 2004, at San Francisco, California.

/s/ CARL WOOD  
Carl Wood  
Assigned Commissioner

## CERTIFICATE OF SERVICE

I hereby certify that I have on this day served a copy of the foregoing document, *Assigned Commissioner's Ruling Requiring an Early Start to Phase 5 of the Low Income Energy Efficiency Program Standardization Project* by electronic and first-class mail on all known parties to which an electronic mail address has been provided, this day served a true copy of the original attached ruling on all parties of record in this proceeding or their attorneys of record.

Dated October 01, 2004, at San Francisco, California.

/s/ SUSIE TOY

Susie Toy

## N O T I C E

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